



## Recommendation for Action

**File #:** 22-3518, **Agenda Item #:** 4.

12/1/2022

### **Posting Language**

Approve a resolution authorizing the formation of AHFC Mabel Davis Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation; approving the form of its certificate of formation and by-laws; appointing its Board of Directors and President; and authorizing AHFC Mabel Davis Non-Profit Corporation to act as general partner or managing member (or controlling member of general partner or managing member) of the entity that will own an approximately 90- to 110-unit multifamily rental development, located at or near 3435 Parker Lane, Austin, Texas 78741.

### **Lead Department**

Austin Housing Finance Corporation

### **Fiscal Note**

This item has no fiscal impact.

### **For More Information:**

Rosie Truelove, Treasurer, Austin Housing Finance Corporation, 512-974-3064; and Mandy DeMayo, Deputy Director, Housing and Planning Department, 512-974-1091.

### **Council Committee, Boards and Commission Action:**

June 16, 2022 - Austin Housing Finance Corporation (AHFC) authorized negotiation and execution of all documents and instruments necessary or desirable for AHFC, or an affiliate, to acquire in fee simple 4.447 acres out of Lot 2, Parker at Woodward Subdivision, a subdivision in Travis County, Texas, of record in Document No. 200100234, of the Official Public Records of Travis County, Texas, located at 2000 Woodward Street, Austin, Texas 78747 for affordable housing purposes, in an amount not to exceed \$2,600,000, plus closing costs. District(s) Affected: (District 3).

June 16, 2022 - AHFC approved a resolution authorizing the formation of AHFC City View Non-Profit Corporation, a Texas nonprofit corporation and instrumentality of the Austin Housing Finance Corporation to develop low-income housing; approving the forms of its certificate of formation and by-laws; and appointing its Board of Directors and President, for the purpose of acquiring the general partner interest in the limited partnership that is the owner of a leasehold interest in a 70-unit multifamily rental development known as City View Apartments, located at 2000 Woodward Street, Austin, Texas, 78741.

### **Additional Backup Information:**

This item requests AHFC to adopt a resolution authorizing the formation of the AHFC Mabel Davis Non-Profit Corporation (Non-Profit Corporation); approve the forms of its Certificate of Formation and By-Laws; appoint the Board of Directors and President of the Non-Profit Corporation; and authorize the Non-Profit Corporation to serve as general partner or managing member (or controlling member of general partner or managing member) of the entity that will own (Owner) the to-be-constructed Development. The Owner will either be a limited partnership or limited liability company. AHFC will own the land upon which the development is located and will ground lease it to the Owner under the terms of a ground lease between AHFC and the

Owner.

The proposed form of the Certificate of Formation and By-Laws for the Non-Profit Corporation are attached as Exhibits A and B to the resolution. The Board of Directors of the Non-Profit Corporation will serve for terms stated in the resolution. The requested Director appointments are:

Director: J. Rodney Gonzales

Director: Rosie Truelove

Director: Mandy DeMayo

The requested appointment for President of the Corporation is J. Rodney Gonzales. The President serves for the term stated in the By-Laws.

The remaining officers of the Non-Profit Corporation will be appointed by the Non-Profit Corporation's Board of Directors at its organizational meeting or by unanimous consent.

### **Proposal, Ownership and Financing Structures**

The development will be a newly constructed apartment development in Council District 3 and will be the "Phase II" development located on a portion of the land that currently is the site of the "Phase I" development known as City View at the Park Apartments, a 70-unit, elderly-only multifamily apartment development located at 2000 Woodward Street, Austin, Texas, 78741. AHFC is in the process of acquiring the land associated with City View Apartments (Phase I and Phase II) from an affiliate of the Strategic Housing Finance Corporation of Travis County (SHFC). City View Apartments Phase I was developed with nine percent Low Income Housing Tax Credit financing in 2006 through 2008. The City View Phase I development consists of 52 one-bedroom units, and 18 two-bedroom units. The Phase I development is mostly affordable to households earning 30 percent to 60 percent area median family income (AMFI) and includes two market rate units. The property for this development - Phase II - contains approximately 1.674 acres of excess, unimproved land that abuts Mabel Davis District Park. The development and construction of Phase II has been part of the overall development concept since the construction of the Phase I apartments.

The development will be an affordable multifamily development and will provide approximately 90 to 110 units of age-restricted housing. The development is anticipated to consist of one four-story building with the following unit income mix: (i) 20 units will be available only to individuals with incomes at 30 percent AMFI or below, (ii) 80 units will be available only to individuals with incomes at 50 percent AMFI or below, and (iii) 10 units will be available only to individuals with incomes at 60 percent AMFI or below.

The ownership structure proposed for the development is similar to previous ownership structures in which AHFC-established nonprofit corporations have participated. These include developments such as Espero at Rutland, Vi Collina, Nightingale at Goodnight Ranch, Aldrich 51, The Timbers, Villas on Sixth, Arbors at Creekside, Heritage Heights at Blackshear (also known as SCIP I), and Retreat at North Bluff (formerly known as Village on Little Texas).

Financing for the development is proposed to come from nine percent Low Income Housing Tax Credits, senior loan financing, and a possible Rental Housing Development Assistance subordinate loan from AHFC to

the Owner.